



UTILITIES COMMITTEE AGENDA

February 7, 2006

7:00 p.m./Trinity City Hall

Welcome

1. Welcome

Election of Officers

2. Election of Chair (Barry Lambeth, Council Liaison)
3. Election of Vice Chair

Unfinished Business

None

New Business

4. Resignation of Raymond Hill (Ward 4) (Ann Bailie)
5. Consider policy/guidelines for paving roads (Ann)

Additional Business

6. Business from committee members
7. Business from City Manager
8. Adjournment



**Trinity Utilities Committee
Tuesday, February 07, 2006
7:00 P.M.**

The Utilities Committee held its regularly scheduled meeting on Tuesday, February 07, 2006 at 7:00 pm at Trinity City Hall for the purpose of discussion, review and action for items listed on their Agenda.

MEMBERS PRESENT: Committee Members Lloyd Brown, Mickey Callahan, Bobby Campbell, Kelly Grooms, Jay Morrow, Mike Robertson, and Tommy Johnson.

MEMBERS ABSENT: Raymond Hill.

COUNCIL LIAISON PRESENT: Barry Lambeth.

OTHERS PRESENT: City Manager, Ann Bailie; City Clerk, Debbie Hinson; City Planning/Zoning and Code Enforcement Administrator, Adam Stumb.

ITEM 1. Welcome

Council Liaison Barry Lambeth called the February 07, 2006 Utilities Committee Meeting to order at 7:00 pm and welcomed everyone in attendance.

Election of Officers

ITEM 2. Election of Chair (Barry Lambeth, Council Liaison)

Council Liaison Lambeth opened the floor for nominations for the position of Chairman for the Utilities Committee.

Nominations for Chairman of the Utilities Committee were as follows:

Lloyd Brown was nominated for Chairman of the Utilities Committee by Member Jay Morrow.

With no other nominations, *Member Grooms made a motion to close the nominations, seconded by Member Robertson, and approved unanimously.*

Lloyd Brown was elected the Chairman of the Utilities Committee by acclamation.

ITEM 3. Election of Vice Chair

Chairman Brown opened the floor for nominations for the position of Vice-Chairman of the Utilities Committee.

Nominations for Vice- Chairman of the Utilities Committee were as follows:

Member Grooms nominated Member Jay Morrow for the position of Vice- Chairman of the Utilities Committee and was seconded by Member Johnson.

With no other nominations, Chairman Brown called for a vote on the nomination of Member Jay Morrow for Vice Chairman of the Utilities Committee.

The vote on the motion to elect Member Morrow Vice-Chairman of the Utilities Committee was unanimous by all Utility Committee Members present.

Unfinished Business

None

New Business

ITEM 4. Resignation of Raymond Hill (Ward 4)

Chairman Brown opened this item and turned discussion over to Manager Bailie.

Manager Bailie discussed her conversation with Raymond Hill and members of his family. Mr. Hill wishes to resign his position due to health problems.

The members of this committee need to accept his resignation tonight. Staff will advertise for volunteers from Ward 4 to serve on the Committee. We will receive applications for an appointed time period. After the deadline established for receiving applications has passed, the applications received will be given to Council for consideration of appointment to this committee. This would probably take place at the March 06 Regular Council Meeting.

Chairman Brown called for a motion to accept the resignation of Member Raymond Hill.

Member Robertson made a motion to accept the resignation of Utilities member Raymond Hill, seconded by Member Campbell, and approved unanimously by all Committee members present.

ITEM 5. Consider Policy/Guidelines for Paving Roads

Chairman Brown opened this item and turned discussion over to Manager Bailie.

Manager Bailie discussed the information included in the agenda packet that illustrated scenarios that might be considered in paving some of the private roads in Trinity. The State maintains their roads. Private roads are those that were never taken over by the State and remain in private hands and over time they deteriorate and the citizens approach the city for help.

What we are looking at tonight are ideas for paving private roads. The idea being that if we did pave some of the private roads and they were located in the middle of a subdivision that currently had some roads maintained by the state, we would assume the roads in the entire subdivision.

This discussion started when some citizens approached the City through petition asking that the City assume maintenance of their road. Council has asked for your suggestions and assistance on how this might be done. This Committee will be discussing if the city should help these residents and how; and if not why.

Manager Bailie discussed the following with members.

Option 1: The City identifies substandard (private) roads and dedicates a certain amount of money each year to improving roads and does not require financial contributions from affected property owners

Questions: 1) How are the roads prioritized; 2) What happens if property owner(s) do not want the road paved and refuse to grant road property to the City?

Option 2: City follows DOT Policy: Property owners improve the road to state standards for unpaved roads. The city then paves the road and takes it into our streets system.

Option 3: Municipalities have the authority to assess properties abutting a road for a portion of the cost of improvements. Improvement projects are triggered by a petition signed by a majority of the property owners

whose property represents a majority of the lineal feet of frontage on a street to be improved. All property owners are assessed whether or not they signed the petition. Property owners can be assessed for up to 10 years and up to 1/2 of the costs of the road improvement.

Questions: 1) Should the City require that the petition be signed by more than 51% of the property owners whose property represents a majority of the lineal feet of frontage on a street to be improved before undertaking a project? If so, what percentage? 2) Should one or two property owners be allowed to block a project? 3) What happens if a proper petition is presented, but the City needs property from an owner who did not sign the petition and does not want the road paved? 4) Should owners of commercial properties be assessed differently than owners of residential property?

Option 4: Any additional options that Committee members develop.

Member Callahan asked if the City would be required to assume maintenance at some point for roads located in the city that are currently being maintained by the state and those that remain private.

Manager Bailie discussed the information included about Powell Bill funds that the City currently collects. We are not aware of any conversations or plans that NCDOT will require the City to assume maintenance on these roads any time soon. We are required to assume new roads that are developed in new subdivisions. There was discussion between members concerning how maintenance would be carried out once the City assumed responsibility for any street. Manager Bailie advised members that once the city assumed responsibility for the street it would be the city's responsibility to maintain this street for the duration. There was discussion concerning the current status of private roads and their compliance with NCDOT standards as well as the run off generated from these roads. Manager Bailie advised members that if the city chooses to approve assuming maintenance the drainage would also be a part of that project. Chairman Brown discussed how charges would be based according to the option that was chosen. With Option 3 it would be all costs associated except for intersections. Would this include right of ways, acquisition, legal fees, and all other costs?

Manager Bailie stated that Option 2 (where the residents paid upfront to bring their roads up to NCDOT State Standards) meant that the residents would pay all of these costs up front. They would pay the entire amount and the city would then assume ownership, pave the road, and assume all future maintenance. Option 3 would allow the residents to have their payments extended over a 10 year period and would alleviate some of the burden to the residents in that they do not have to pay all of the money at one time. There was discussion concerning how the assessment would be handled. Manager Bailie advised members this had been discussed with the County. They have never done this for a municipality but they understand the County is obligated to provide this service since the tax collector is responsible for assessments and they serve as the tax collector for the City. If the city proceeds with this process we will meet with Randolph and work out the procedures.

Chairman Brown and members discussed the list provided of Non-State Maintained Roads and Right-of-Ways that totaled 15.9 miles in length and total project costs of \$4,629,000.00. Members and Manager Bailie discussed some of the streets on the list and the possibility of some of these listings being private driveways and not streets. Manager Bailie advised members that this list was prepared many years ago and the costs had probably risen since this document was prepared. There was discussion concerning one of the listings (Spivey Lane) being a private driveway that had been paved.

Council member Campbell stated it was his opinion that the residents should be assessed to pay for a portion of the costs associated with bringing the roads up to standard. As discussed earlier by other members, if there is only one (1) house located on the road and is a considerable length from the main road the expense would be enormous. Council Liaison Lambeth agreed that a determination would need to be made whether the area in question was a private driveway or a street. The Spivey Lane location in my opinion is a driveway and would not be considered for upgrades unless the owner approached the city and asked to make this a street. The city would then look at the costs involved and make their decision. Member Grooms stated that was the reason he chose Option #2 over Option 3.

Council liaison Lambeth discussed with members how the Cold Brook Court neighborhood had approached the city for assessment in order to have the city assume maintenance on this street. The stipulations for Option 3 seemed to be working well until the Public Hearing was held where a resident spoke out against this petition. The Council did not want to create a hardship on this resident and stopped the process at that time. Since that time we have been informed that this resident has had the opportunity to sell this property 3 times and refused.

We then looked at the possibility of excluding this resident but concluded that this resident or his family would receive benefits just as those citizens that were assessed. This would happen by means of an increase to his property value when the sewer infrastructure is extended to this area and the street is paved. These improvements automatically increase the value of this property. This resident can sell this property if he chose to do so. We need to be reasonable and make sure that we cover all aspects of this process to avoid loopholes that would pass any excessive costs on to the city.

Members and Manager Bailie discussed alternate ways that assessments could be collected if a true hardship existed. Manager Bailie and members discussed the procedures addressed in Option 3 and as defined under G.S. 160-A232, 233.

Members and Manager Bailie discussed any amount of monetary change or benefits paying any of the streets would have on the City. Manager Bailie advised members that there would be a small increase in the amount of Powell Bill dollars received, however there would not be enough to make a noticeable difference. The driving force on the other end of this issue is that the City is allowed to accumulate Powell Bill Funds for 10 years. After the 10 year period if the city has accumulated the amount of dollars in this account that we would have received in 10 years the City will not be eligible for any further distribution of these funds. We have to start spending some of these funds in order to prevent this.

Chairman Brown asked about other options for expenditures of Powell Bill funds that may come to the forefront of projects that need to be done. Manager Bailie advised members the accepted expenditures for these funds were defined on the Powell Bill Expenditure Guide included in their packet.

There was further discussion on how this item came into existence. Manager Bailie advised members that the city provided information in one of the newsletters as a way to share the costs for road improvements. From this I received 2 calls. One was from Cold Brook Court and the other was from the Turnpike Industrial Park. Both are very interested in having their roads paved and both are very interested in Option 3. We have received the petition from Cold Brook Court and as discussed earlier by Council Liaison Lambeth this is where we are at because not everybody signed the petition in this area. There are 11 property owners on the road and the petition was signed by 6 of the property owners. This did represent a majority of the residents. At the Public Hearing we had one person who had not signed the petition but spoke at the Public Hearing and asked Council to proceed with the request. This would be a total of 7 property owners out of 11 that were in favor of Option 3. This is not 100% and this is where the Council got stuck. Should the City proceed with the project without 100% participation? If so what is the balance. What percentage of the property owners should the City require to sign the petition?

Council Liaison Lambeth discussed prior conversations concerning the creation of hardships for some citizens. When the city installs sewer and makes residents tie into the system you have created another hardship for some residents. There will be some hardships created but we are improving the quality of life as well.

There was further discussion concerning how other residents may wish to pay the residents part of assessment that did not want to participate and the problems that could arise if this scenario were pursued. After further discussion members agreed that this would need to be a contractual obligation among the individuals to pursue a project with this type of scenario. After further discussion concerning this it was the feeling of the Utilities Committee that the City did not need to be involved in any negotiations of this type. The City needs to have a required procedure and any negotiations that are privately done will not alter the required procedures of the City. Any private negotiations will be the sole responsibility of the persons who wish to proceed with the street paving process.

Chairman Brown discussed Option 1 and stated that he felt the members were in agreement that this was not a viable option for the city to identify and pay all costs involved in this process. Member Callahan stated that the section in Option 1 dealing with prioritization needed to be used in whatever option was recommended because all of the roads on the list needed to be prioritized and the city needed to decide on the best way to do this. What will be considered to determine priority?

There was discussion between Manager Bailie, Members, and Council Liaison Lambeth on how the city should proceed if there is one (1) property owner that owns a large block of property across the street from several houses and refuses to be a part of the petition. Council Liaison Lambeth discussed how the assessment process would address this and allow the neighbors to proceed if they meet the requirements of assessment defined by the City. He agreed with Chairman Browns' thoughts on prioritization to allow the residents to come to the city

and request improvements with assessment. If the City knows that there is a need in a specific area such as the street discussed earlier located in the Darr Road area, then the City may want to make repairs on their own without assessments due to the income of residents in the area. Assessment would not be an option to these residents. Member Grooms discussed the difference in the two (2) options being discussed. Which way will the City choose? Will the City take the street listing and prioritize them and take care of them with Powell Bill funds and assess all residents of these streets as we go?

Chairman Brown stated he felt that in a situation where the City identified a street or road and wanted to approach the residents on that street to upgrade the street there needed to be a petition and the question was did the City need to require 51% or greater. They have to agree to be assessed. There was further discussion concerning what would happen if the City approaches residents in an identified area and they do not agree to the improvements. It was the consensus of the members that if the residents in the area did not agree that the City would not pursue any upgrades. Manager Bailie stated that the citizens would need to agree to the improvements in the event the city needed to obtain property to bring the road up to standards. If someone did not want the road paved then how would the city obtain the property because we would not condemn property since this would cause an increase in the total project costs to the other residents. Manager Bailie also discussed grant funding that may be available to pay for improvements to the streets in some of the low income areas that might be identified.

Member Grooms asked what would be the criteria for the decision to require that citizens must request improvements. This question takes us back to Option 2. If someone comes to the city and ask that their road be paved all residents in the target area will benefit if the residents bring the road up to State Standards and pays the money up front. The City will maintain the road from that point forward. We could go back and review this again in 5 to 10 years as the city grows and we get more funds to establish a street department but I do not see the City assuming the responsibility of Option 3.

Manager Bailie advised members that there had been no interest from residents where they had to bring the road up to State Standards. Members discussed the options for questions of Option 3 and the fact that it gave citizens a period of up to 10 year option and a maximum 8% interest. It would provide the residents the ability to spread out the costs. It will make it easier for those that do want it done. Chairman Brown stated that the question is not to close Option 2 but to look at Option 3 and define the percentage of participation that the city needs to require and should one (1) or two (2) owners be able to block the request. What happens if a proper petition is presented, but the City needs property from an owner who did not sign the petition and does not want the road paved and should the owners of commercial properties be assessed differently than owners of residential property?

Member Callahan stated that if the City was going to consider these projects on a petition basis that if a majority of the property owners agreed the other residents should not be able to block. Members discussed the majority rule scenario and discussed what percentage the city should assign to represent a majority. Manager Bailie advised members that out of the 11 property owners located on Cold Brook Court there are currently 7 property owners that have signed the petition which represents 63% of the property owners requesting assessment, 9 property owners would represent 80% and 10 property owners would represent 90% participation.

Chairman Brown stated that he felt more than 51% should be required on a petition. This higher percentage would also alleviate some of the later questions concerning the ability of one (1) or two (2) property owners that wanted to block the petition as well as addressing the question of acquiring property if someone does not sign the petition. Members, Manager Bailie, and Council Liaison Lambeth discussed how the city should look at a petition that had owners who did not respond either in the affirmative or negatively (no response). They discussed how this type of action was viewed in Council and Board actions during votes. In this situation "no response" is counted as a yes vote.

There was discussion among members and Council Liaison Lambeth concerning who would define what represents a driveway and what constitutes a road. Council Liaison Lambeth stated that the State would do this if the roads had to be brought up to State Standards. Chairman Brown stated that applied with Option 2 and asked if Option 3 allowed any leeway to this option. The street will have to be brought to State Standards but not previous to accepting the project or moving forward with the project. Member Grooms asked who would be responsible for determining the cost. Manager Bailie and Council Liaison Lambeth advised members this would be done by the City Engineer, Mr. McNeill since he has all of the city maps. Manager Bailie advised

members that it is an estimate only and that property owners would be assessed the actual costs once the project is complete.

Chairman Brown discussed how this would create the need for use of some of the League of Municipalities forms which will need to be reviewed and brought to the City of Trinity Standards. It actually gets posted several times throughout the process and then finally at the end there is a chance to dispute the costs and have a final adjustment made. We are certainly getting in deeper with Option 3 but this option makes it more workable for a citizen and for the city. Manager Bailie stated that if citizens or residents preferred Option 2 that would be fine with the city as well.

Member Grooms stated that was his reason for staying with Option 2. The city can come back and change this as they grow. I do not believe this is the kind of business the City needs to get into at this time. Member Callahan discussed the Option 2 scenario and the fact that if a road was up to State Standard then the city was obligated to pave the road at no cost to the citizens. It was his feelings that the city needed to form some sort of assessment. Member Callahan also discussed the question concerning additional costs to commercial property owners and should they be assessed at a different rate. Members discussed the Turnpike Court area and the fact that this was a commercial area only. The traffic that travels in this area is heavy duty trucks (18 wheelers) and would require more than 1 ½ inches of asphalt for paving. The sub-base will need to be increased in areas like this instead of an area like Cold Brook Court.

Chairman Brown asked how the total estimated cost of \$4,629,000 compared to the available Powell Bill funds and how it would impact the city if there were numerous requests of this nature if the city adopted a policy of this nature. If such a policy is adopted that will allow the acceptance of petitions for street maintenance and numerous citizens make requests for this service, how will this affect the financial flow of city revenues and expenditures. Manager Bailie advised members there was approximately \$1,000,000.00 in Powell Bill Funds that the city had accumulated over an approximate 7 year period. Both Manager Bailie and Council Liaison Lambeth discussed how the approval of such requests could be controlled by Council. They will review the financial information prior to approving a project and could budget accordingly. This would dictate the number of projects or petitions accepted in any time period. Discussion continued on the costs to maintain the streets in the Steeplegate Subdivision. These are the only streets maintained by the City at this time but as the City grows and more subdivisions are developed the cost of street maintenance will increase as repairs are needed. Member Grooms discussed the costs to do this and again stated that he did not feel the City was in the position to do anything other than Option 2 and let the residents come to the City. You will still have the same stipulations with Council being able to determine whether they would like to pursue repairs and assume maintenance of the street. I think we need to look at streets that are already at State Standards and determine if the City wishes to assume responsibility for maintenance. There was discussion concerning the expense between Option 2 compared to Option 3. During discussion, Council Liaison Lambeth discussed what the city needed to consider prior to accepting any road or street from the State. The road needs to be paved not just tar and gravel. When a good repaving is done to a street that is when the City should consider assuming the maintenance of that street from the State. Member Grooms asked if this was something that needed to be added to the proposed Options. Council Liaison Lambeth and Manager Bailie discussed the State's Agenda. They do not consider the city when they make that Agenda. Manager Bailie discussed conversations that she had with the State last year in an effort to get corporation on this venture to no avail.

Council member Brown discussed the point just raised concerning a recent paving to a street. If the city assumes this road we have just assumed additional frontage that now has to be maintained and will create additional costs that will need to be considered.

Member Johnson asked if all the streets on the list were dirt and gravel and did the City have any streets that were paved and not maintained by the State. Discussion among members concerning paved areas included Ellen Avenue, and Spivey and whether these two areas would be classified as driveways or roads. There was further discussion concerning the number of streets that may be paved but not up to State Standards and would cause additional costs to be incurred.

After further discussion it was the consensus from members that the city would not get involved in any legal options between property owners and rights of ways or assume any responsibility for negotiations of neighbors.

There was discussion concerning the method for assessment to corner lot property owner. Council Liaison Lambeth and Manager Bailie advised members that this cost would be determined by the longest line for the property line, not both footages.

Member Brown stated that he preferred Option 3 over the others available from a cost standpoint to the residents and to the city. Members Johnson and Callahan also agreed that Option 3 was their preference of the available options.

Manager Bailie asked members if they liked Option 3 and felt this was a good choice could the City also allow Option 2 if the residents preferred it over Option 3? After further discussion, Manager Bailie reviewed the following information with members for accuracy.

1. Option 3 seems to be popular and asked again if there were any reason not to allow Option 2 and leave the choice available to residents? Chairman Brown and Member Callahan stated Option 2 could be left open as long as the City had the scenario and option to accept or deny the project.
2. The percentage for Option 3 % should be higher and require 2/3rds or 66% of the property owners and no response (neither yes nor no) from a resident will be considered a **yes** to the petition.

There was further discussion concerning how the 2/3rd option would eliminate one (1) or two (2) property owners from blocking the petition. The next question is what happens if a petition is presented but the city needs property from an owner who did not sign the petition and does not want the road paved. Member Grooms discussed his feelings with the city taking property without the permission of the owner through eminent domain. Manager Bailie stated that she felt that if this happened the city needed to redesign the road so that the city did not need any of that owners property or to not do the project. I can not see moving forward with the project if the city needs to obtain property from someone who does not want to participate.

Manager Bailie suggested adding a caveat to Option 3 stating that if the city needed property from someone who did not want to pay or who will not agree to dedicate property to the city then the city will not move forward with the project. This option would require 2/3 or 66% if the road meets ROW requirements. If the ROW requirements are not met and property is needed from an owner that will not consent or refuses to dedicate the needed property to the city then the project will not move forward.

After further discussion, Manager Bailie summarized with the committee the following items prior to the consideration of a vote on this item.

- Options 2 or 3 would be available to residents with the understanding that Council has the absolute right to decide whether or not to go forward with the project.
- The City would require 2/3's of the residents or 66% to sign a petition for the road paving and to be assessed.
- Someone who does not sign the petition or show up at the Public Hearing to voice a no vote will have their vote counted as a yes vote.
- If property is required by the city to improve the road and that property is owned by someone who does not want the improvements the choices would be to redesign the road so it does not affect their property in which case the 2/3 vote prevails or the project dies.
- Members discussed the stipulation concerning the rate of assessment for commercial Standards (industrial) when it was paved just as in Option 2. Manager Bailie discussed the wording of the Statutes. The Statutes stipulate that unless the petition otherwise specifies not more than 50% can be assessed. If the residents volunteered to be assessed 80% the city could do that but otherwise 50% is the limit. There was further discussion concerning the increased costs for industrial or commercial paving and the willingness of the city to assume the difference in the costs. Members discussed how this type of development and improvements would increase the tax basis for the city as well as generating more revenues. After discussion it was the consensus of members to use the same rate and for the city to absorb the additional costs for the economic benefits and that increased revenues offset the difference in cost between the private and commercial or industrial developments.
- Add stipulation to check if street improvements will be affected by the sewer projects construction schedule prior to acceptance.

After further discussion Chairman Brown asked if members would like to continue discussion on this item at another meeting or vote on the item.

After further discussion, Member Grooms made a motion to table this item until the March meeting, seconded by Council member Robertson and approved unanimously by all members present.

After the motion there was further discussion on the pros and cons of these issues and considerations to look at other ways to use Powell Bill Funds.

Additional Business

ITEM 6. Business from Committee Members

Chairman Brown called for comments from Committee Members.

Member Johnson asked Manager Bailie for an update on street lights. Manager Bailie advised members that she would call Duke Power before the next meeting and see if the representative is available to appear at your next meeting to answer questions.

Chairman Brown discussed conversations from a prior meeting concerning the saturation of lights on the existing posts at the intersections of the highway as well as street painting. The Powell Bill Guide states that money is available for street painting but I believe there was a question concerning whether it could be used if these streets were State maintained. We also discussed talking to DOT to see if they could assist us with this. He asked Manager Bailie for an update on these items at the next meeting.

ITEM 7. Business from City Manager

Manager Bailie discussed a map prepared by member Robertson concerning Finch Farm Road. He suggested that we ask DOT to make a left turn lane to get on the interstate. At this time Manager Bailie turned the discussion over to Member Robertson.

Member Robertson discussed the sign located on Finch Farm Road as you turn from NC Highway 62 stating that the right lane ended and where the lane markings are faded. My suggestion is to ask DOT to make a left turn lane only and make the right lane a through lane as well as improving the markings and increase the signage in this area.

Chairman Brown called for a motion to send this recommendation to Council as presented.

Motion by Member Callahan to send this recommendation to Council as presented, seconded by member Campbell and approved unanimously by all Committee members present.

ITEM 8. Adjournment

With no further items to discuss, Chairman Brown called for a motion to adjourn the February 07, 2006 Regular Meeting of the Trinity Utilities Committee.

Motion by Member Robertson to adjourn the February 06, 2006 Regular Meeting of the Utilities Committee, seconded by member Morrow, and approved unanimously by all Committee members present.

These minutes were approved by the Utilities Committee at their March 7, 2006 Regular Meeting as written upon motion by Committee member Callahan, seconded by Committee member Campbell, and approved unanimously by all Committee members present.

Debbie Hinson, City Clerk

Lloyd Brown, Chairman
Utilities Committee

Date

Date